

we not have another 6 or 7, I think we could help solve the Social Security problem, is not going to fly at home.

What we have been wondering is, is there a third way out. I think there is. This idea of personal savings accounts, which are built on the simple idea that Osceola McCarthy's wealth was built on. Because what we ultimately want to see in America is everybody building wealth, not just a few people at the top. And this simple idea of personal savings accounts. Personal savings accounts has been tried in a host of countries around the globe. It has been tried in a number of States and countries within our own country, in fact.

Down in south Texas, Galveston, Matagorda and Brazoria Counties down in south Texas, prior to 1983, you could create your own Social Security system. You could stay on the Federal version or you could create your own version at the State or local level. Those counties did. What they found was those county workers got more in the way of disability insurance. They got more in the way of survivor benefits, and they got more in the way of retirement income. In other words, there was a third way out.

And not only was there a third way out in terms of having more in the way of retirement income, there were a whole host of other benefits. For instance, choosing for you when you want to retire. If you stop and think about it, you can go down the grocery store aisle and look at 25 different kinds of detergent. You could look at 35 different kinds of toothpaste. But you cannot pick for you when you want to retire.

Yet you think about it, why should a Congressman or a Senator or a bureaucrat in Washington decide for you when you want to retire. Why do not you get to pick for you when you want to retire?

One of the benefits that would come with the idea of personal savings accounts is somebody making that decision for themselves. There are a host of other benefits that would come with the idea of personal savings accounts. It is not something we want to impose on seniors, but I think it is something we want to begin talking about for people that are juniors.

TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. Fox] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to address my colleagues and have them be part of a dialog on a very important topic. That is tax reform.

This Congress has a historic opportunity to work with American families to make sure that they keep more of their hard-earned money which their jobs have produced, which their investments have produced.

As a broad outline we are talking about a \$500 per child tax credit, reduc-

tion of inheritance taxes. How many people across Pennsylvania and other States are taking all the money that would be from the farm or the business but they have to sell the farm or the business to pay for inheritance taxes?

We have an opportunity here in the coming weeks to pass the kind of reductions in inheritance taxes so that the heirs of the people who own the businesses and the farm will make sure their children have the benefit of what their hard-earned dollars bought.

We also are talking about the reduction of capital gains tax. This is very important for individuals and businesses. By having this, we increase savings. We increase investment. We increase jobs. You only have to look to the Kennedy and Reagan administrations, Democrat and Republican administrations, last time we had a capital gains tax reduction we saw a great upward mobility of this country. We saw a great growth.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. KINGSTON] for the comments he has from his district as it relates to the need for tax reform.

Mr. KINGSTON. In terms of the hard-working middle class Americans, they do need tax relief. Their tax burden right now is about 38 percent per family. That is up 1 percent from what it was 2 years prior, but it is very important for us to realize that 75 percent of the tax relief proposed goes to families with household income of \$75,000 or less. Ninety-one percent of it goes to families with household income of \$100,000 or less. And for families with income of \$200,000 or more, there is only 1.2 percent of the money for their tax relief.

Mr. FOX of Pennsylvania. Most of the tax reform we are talking about in Congress is for the middle class.

Mr. KINGSTON. Absolutely.

Mr. FOX of Pennsylvania. Hard-working persons who are out there in industry and business.

Mr. KINGSTON. Mr. Speaker, the fraud that is being perpetuated by those who say this is a tax cut for the wealthy is just outrageous. They know better in their heart of hearts. How they can even look themselves in the mirror and say that this is a tax cut for the wealthy is beyond me.

Mr. FOX of Pennsylvania. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PAPPAS]. I know that he has been working hard in this committee and with his constituents in New Jersey to try to make sure we give tax relief.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding to me. When I go back home, I do not use terms like "budget reconciliation" or "budget resolution" or "CR," which is an abbreviation for continuing resolution. I talk to my constituents about balancing the budget, cutting taxes, plain language that they use every day and that I think we should use more around here.

I am very fortunate, as my friends are here, to be part of this Congress,

which I am convinced is going to enact permanent tax relief for American families that really is going to make a difference in quality of life, the lives of the people that we represent.

As we all know, the Committee on Ways and Means, just within the last week or so, has been marking up a bill that will include these things. The gentleman spoke about estate tax reform. Most people are referring to that now as a death tax. That is exactly what it is.

The American dream for many people is to work hard all of your life and to build a business that you can pass on to your kids. That American dream is becoming a nightmare for so many families in our country and that is very unfortunate. We have the opportunity here, I believe we have the obligation in this Congress, in Washington, DC, to enact that kind of tax reform that will enable family-owned businesses, family-owned farms to be passed from one generation to the next.

Mr. FOX of Pennsylvania. Mr. Speaker, I think it is also interesting to note that not only are we talking about tax relief for inheritance taxes, capital gains, the \$500 per child tax credit, but also tax deductibility for a college loan. This is a step in the right direction.

Mr. Speaker, I yield to the gentleman from Colorado [Mr. BOB SCHAFFER].

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it is interesting, when you hear the liberals here in Washington, as we heard all day today talking about the Congress giving something to taxpayers, this notion that government gives something away when we lower taxes is a fallacy in and of itself.

It really underlies the problems with the arguments that they try to make, insulting our efforts to try to provide tax relief for American families and to allow for families to keep more of what they earn for themselves. This government takes things away from the American people. It confiscates the wealth of families and sends it here to Washington where we distribute it to the charity of the government's choice.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to start the dialog on tax reform which is so important to the American people.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

ORDER OF BUSINESS

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from New York [Mr. FORBES].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?